

RURAL HIGH-SPEED INTERNET ACCESS TASKFORCE MEETING

**Public Hearing
December 13, 2007
Sikeston, Missouri**

ATTENDANCE LIST

Taskforce Members

Lt. Governor Peter Kinder
Sen. John Griesheimer (via phone)
Sen. Wes Shoemyer
Rep. Mike Dethrow
Estil Fretwell
Mike Hearst (for Dan Ross/ via phone)
Bill Mitchell (via phone)
Bill Placke (via phone)
Bill Rohde (via phone)
John Sondag (for Cindy Brinkley / via phone)
Julie Thompson
Tracy Weddle
Lisa Winberry
Michael Zarrilli (via phone)

Staff Members

Jerry Dowell
Bob Donnelly (via phone)
Elizabeth Hobbs (via phone)

Witnesses

Charles Atchison
Dale Combs
David Crews
Tyrone Garrett
James (Jim) Gleason
Pansy Glen
Jeff Holloway
Wayne McSpadden
Lisa Winberry
Janet Witter

Guests

Carolyn S. Asmus
K. J. Butler
David Carson
Keith Davidson
Barbara Dethrow
Ed Gargas
Marsha Haskell
James Kaufman
Ewell Lawson
Beckie Maintz
Ann Matthews
Holly Rehder
Doug Shaw
Bill Vickery
Dave Warren

1. Welcome and Introductory Remarks - Taskforce Chairman, Lt. Governor Peter D. Kinder

Lt. Governor Kinder called the meeting to order at approximately 1:41 p.m.

2. Roll Call of Members

Lt. Governor Kinder asked the taskforce members present either in person in Sikeston or via the conference call to state their names for the record.

3. Welcome of New Members

Lt. Governor Kinder welcomed the following new members to the taskforce:

Senator John Griesheimer

Senator Wes Shoemyer

Representative Joe Aull

Representative Mike Dethrow

4. Approval of Minutes from Dec. 6 Meeting

Lt. Governor Kinder asked if there was any discussion on the meeting minutes from Dec. 6.

He then stated he would entertain a motion to approve the meeting minutes. A motion was made and was seconded by Rep. Mike Dethrow. The taskforce voted to approve the Dec. 6 meeting minutes.

5. Discussion from members (if any) on Taskforce proceedings

Lt. Governor Kinder asked if any Taskforce members had comments or questions about how the taskforce is proceeding. Mike Hearst stated that he felt sending out an RFI (Request for Information) would be duplicative as an RFP (Request for Price or Proposal) would still have to be sent out in the future and therefore would be more time consuming. Lt. Governor Kinder said the Office of Administration would be consulted again in order to try to clear up what would be best to do.

6. Public Testimony

Lt. Governor Kinder reported that there were 3 people who had indicated in advance that they wanted to testify:

➤ **1st Witness: Lisa Winberry - BPS Telephone Company**

Ms. Winberry stated she wished to share information on BPS Telephone Company, which is located in the “boot heel” of Missouri. BPS Telephone Company has worked diligently to improve and expand their infrastructure and equipment in order to provide the best telephone and internet access possible for their customers. They are able to provide broadband internet access to 100% of their 3,000 customers who want that service or 1,000 homes. BPS Telephone Company is also heavily involved in community & education programs.

➤ **2nd Witness: Dave Crews – ORTrackM**

Mr. Crews provided information about the internet services ORTrackM provides to its customers. He said they try to provide internet access to customers in the more rural areas at very reasonable prices. Mr. Crews explained that even dial up internet service could be jeopardized if ORTrackM does not receive some type of assistance to help defray operational costs. He reported that the ORTrackM board had recently met with a USDA Rural Development representative to inquire about the procedures for applying for grants in order to provide broadband. The USDA will consider grants for a US Census Community of not more than 20,000 population that currently does not have access to broadband. However, the USDA representative could not identify a US Census Community on the map of Oregon County. Mr. Crews said he hoped a better broadband opportunity would be discovered that will benefit all rural Missourians. Local topography, the high cost of towers and rocky terrain was identified as major barriers to wireless and broadband internet access.

- 3rd Witness: Janet Witter - Local Wired Initiative for Workforce Innovation, Dept. of Labor
Ms. Witter offered the help of their leadership council to help the Taskforce in any way possible to further broadband access in the 14 counties they served in the South Central and South Eastern areas of Missouri. She said they would be happy to serve as facilitators if needed.
- 4th Witness: Wayne McSpadden - Sikeston Board of Municipal Utilities
Mr. McSpadden gave background information on the fiber system the Municipal Utilities put in to establish better communications between the city facilities. The fiber system has allowed them to lease connection to other entities, such as the school system and the phone company. It has also allowed them to launch a small internet division in the Municipal Utilities, when the need was identified. They provide wireless, and some dial-up, internet access to people who are unable to get DSL internet service through any of the other internet providers in the area. He asked the Taskforce to keep in mind that Municipal Systems may have the ability to provide broadband services to their citizens if other providers are unable or unwilling to do so for whatever economic reason they have. The city may need to provide access for economic development purposes. He stated that currently the law allows this, although it is narrowly crafted, and should continue to allow it.

After advance notice testimony was completed, Lt. Governor Kinder asked if there were other witnesses who had not registered. The following people came forward to provide testimony to the Taskforce:

- 5th Witness: James Gleason - New Wave Communications
Mr. Gleason gave information on the cable, high-speed internet and telephone services his company provides to an extensive, predominately rural area of Southeast Missouri in the “boot heel”. He said they have invested five million dollars in upgrades, state-of-the-art architecture and a fiber optic system for their network. Mr. Gleason stated they provide service for a wide area, but specialize in serving very rural areas and very small communities.
- 6th Witness: Tyrone Garrett - SEMO Communications
Mr. Garrett stated that his company provides cable television, high-speed internet and telephone services to 18 small communities. He said his purpose for testifying was to let the Taskforce know that Southeast area of Missouri was very well served with high-speed internet access as opposed to other parts of the state. Mr. Garrett also stated his company was privately funded and felt government subsidies should not be given in their area.
- 7th Witness: Jeff Holloway - UCS, Inc.
Mr. Holloway related that he had written a USDA rural development (unintelligible) bond grant and received a grant to assist the development of tourism and E-Commerce in their area. He also said he also serves on a rural electric cooperative board and his experiences have shown him that there is a need to address the economic side of high-speed internet access, because many rural residents work from home and need reliable, feasible access. Mr. Holloway stated that the availability of broadband internet service would greatly benefit rural healthcare systems by allowing advanced technologies to be employed. He also said economic incentives were needed to allow supplying or updating and expanding internet access infrastructures. Mr. Holloway stated that he understood that the US Department of Homeland Security could provide

a layer of mapping for the area. Mr. Holloway suggested a 0% revolving loan fund, which would assist companies with infrastructure costs, might be possible and beneficial and also that the possibility for fiber optic leasing should be looked at.

➤ 8th Witness: Charles Atchison - Homestead of Heartland, LLC in Sedalia, MO

Mr. Atchison provided information on the type of wireless internet services and different methods his company has used to provide internet service to approximately 250 customers in the areas of Knob Noster, Sedalia and other surrounding communities. Mr. Atchison identified problems he has encountered regarding the availability of bandwidth and frequencies. He asked if the Taskforce knew about someone from Oklahoma City who had applied for and gotten grants to expand broadband wireless in rural Missouri. Mike Zarrilli said he was familiar with that application and company's loan approval is contingent on their receiving the satellite licenses they need and launching additional satellites. He said there's no guarantee the money will be spent. If approved the loan would come from the RUS Broadband Loan Program. Mike Zarrilli also noted that this was the program that is currently going to be reformed under the farm bill being processed in the US House of Representatives. Mr. Atchison stated that he purchased internet access and resold it to customers, mainly because renting communication towers is completely out of their price range. He also explained some of the drawbacks of satellite internet service.

➤ 9th Witness: Pansy Glen - Madden Media

Ms. Glen stated her job requires her to have very fast internet service. She said she had encountered many problems because broadband service was unavailable in her area. She now has satellite service, but isn't entirely happy with it. Ms. Glen said she wished to thank the taskforce for working to bring broadband internet access to all rural communities in Missouri.

Lt. Governor Kinder thanked all the witnesses. Public testimony ended at 3:02 p.m.

7. Adjournment

Lt. Governor Kinder asked for a motion to adjourn the meeting. The motion was made and seconded. The Taskforce members voted to adjourn. The meeting ended at approximately 3:04 p.m.